

**MINUTE ITEM**

This Calendar Item No. C36 was approved as  
Minute Item No. 36 by the California State Lands  
Commission by a vote of 2 to 0 at its  
12-14-06 meeting.

**Minute Item  
C36**

12-14-06

W 26025

N. Smith

**TRANS BAY CABLE LLC  
(APPLICANT)**

Item C36 was moved from Consent to Regular.

**Calendar Item 36:** The Commission was asked to approve an application for a general lease for Trans Bay Cable for the construction of a new high voltage cable to transmit power from Pittsburg to San Francisco. The item was approved as presented by a 2-0 vote.

**The item was approved as presented by a 2-0 vote.**

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**CALENDAR ITEM**

**C36**

A 6,7,8,11,13,14

S 2,3,5,7

PRC 8736

12/14/06

W 26025

N. Smith

**GENERAL LEASE - RIGHT OF WAY USE**

**APPLICANT:**

Trans Bay Cable LLC  
Two Harrison Street, 6th Floor  
San Francisco, CA 94105

**AREA, LAND TYPE, AND LOCATION:**

53.65 acres, more or less, of sovereign lands in the Carquinez Strait, San Francisco, San Pablo, and Suisun Bays, between the San Francisco county line to city of Pittsburg, Marin, Solano and Contra Costa counties.

**AUTHORIZED USE:**

For construction, installation, operation, maintenance and use of a submarine cable bundle (ten inches in diameter) consisting of approximately 40.25 miles of high voltage direct current cable; the transmission cable will be approximately five inches in diameter and the return cable approximately four inches in diameter, along with a fiber optic communication cable.

**LEASE TERM:**

25 years, beginning December 15, 2006.

**CONSIDERATION:**

\$389,000 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

**SPECIFIC LEASE PROVISIONS:**

Insurance:

Liability insurance: Combined single limit coverage of \$10,000,000

Bond:

\$1,000,000

**OTHER PERTINENT INFORMATION:**

1. Applicant has the right to use the uplands adjoining the lease premises.

CALENDAR ITEM NO. C36 (CONT'D)

2. The Trans Bay Cable Project consists of installation of an approximately 53-mile-long High Voltage Direct Current (HDVC) cable below San Francisco Bay and the Carquinez Strait, from a terminus in the city of Pittsburg to a terminus in the vicinity of Potrero Point in the city of San Francisco (Exhibit A). The project will transmit electrical power from a converter station in Pittsburg to a converter station in San Francisco, providing a dedicated connection between the East Bay (which has excess electrical capacity and transmission grid congestion) and San Francisco (which is projected to experience a shortfall of electricity by 2012).
3. The project is proposed by Trans Bay Cable LLC (TBC), an affiliate of Babcock & Brown Sydney, an Australia-based company, with its major overseas office based in San Francisco, in cooperation with the city of Pittsburg and Pittsburg Power Company (PPC), a municipal utility.
4. The proposed HVDC transmission line consists of a transmission cable, a separate metallic return cable, and a fiber optic communication cable. The combined bundle will be approximately ten inches in diameter. The cable will be buried underwater and routed from the Pittsburg Converter Station into the water at Suisun Bay (New York Slough), through the Carquinez Strait and San Francisco Bay to a landing point near the San Francisco-based Converter Station.
5. Over the proposed route, protection to both the cable and the environment would be accomplished through one or more of the following: horizontal directional drilling between the shore and where the cable enters the bay; burial by hydro plow to a target depth of three-to-six feet below the bottom of the bay along the submarine route; direct cover with protective mattresses (e.g., mattress filled with mastic grout and internally lined with a geotextile) where it is not possible to reach the target burial depth due to soil characteristics such as rocky sea bottom, obstacles along the cable route, etc.; and burial to a pre-determined depth below the existing Baldwin Shipping Channel. The alignment of the cable route has been developed based on discussions with key regulatory, resource, and vessel traffic agencies.
6. Pursuant to a Purchase and Sale Agreement between TBC and PPC, entered into as of November 6, 2006, PPC will acquire ownership of the project assets of the TBC project simultaneous with the Commercial

CALENDAR ITEM NO. C36 (CONT'D)

Operation Date. Those assets will include, for example, an assignment of the lease issued by the Commission. Pursuant to a Project Administration Agreement between TBC and PPC, also entered into as of November 6, 2006, PPC will own, operate, manage, and maintain the project assets from and after the Commercial Operation Date, subject to the operational control of the California Independent System Operator.

7. This project will cross 14 existing Commission leases and right-of-way agreements under San Francisco Bay to the Carquinez Strait down to Suisun Bay. Under the terms of these existing leases/agreements, the Commission has reserved the right to unilaterally lease these lands for other uses that are not "inconsistent or incompatible" with the existing authorized uses. TBC has demonstrated that this project, utilizing mitigation methods presented to staff, will not be inconsistent or incompatible with the existing leases/agreements. Additionally, the proposed lease requires TBC to utilize commercially reasonable methods to reach an agreement with the existing lessees as to the crossings. As of this date, TCB has agreements with eight of the 14 existing lessees. These agreements show good faith on the part of TBC, but are not necessary for the Commission to authorize the lease.
8. An EIR was prepared and certified for this project by the city of Pittsburg serving as the CEQA lead agency. The California State Lands Commission staff has reviewed such document. A Mitigation Monitoring Program has been prepared and adopted in conformance with the provisions of the CEQA (Public Resources Code section 21081.6).
9. Findings made in conformance with the State CEQA Guidelines (Title 14, California Code of Regulations, sections 15091 and 15096) are contained on file in the Sacramento Office of the California State Lands Commission.
10. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

CALENDAR ITEM NO. **C36** (CONT'D)

**APPROVALS OBTAINED:**

City of Pittsburg

**FURTHER APPROVALS REQUIRED:**

United States Army Corps of Engineers, Department of Fish and Game,  
California Department of Transportation, Bay Area Air Quality Management  
District, Port of San Francisco, city of Martinez, city of San Rafael, Solano and  
Contra Costa counties, and the San Francisco Bay Conservation and  
Development Commission

**EXHIBITS:**

- A. Location Map
- B. Legal Description

**PERMIT STREAMLINING ACT DEADLINE:**

November 11, 2007

**RECOMMENDED ACTION:**

IT IS RECOMMENDED THAT THE COMMISSION:

**CEQA FINDING:**

FIND THAT AN EIR WAS PREPARED AND CERTIFIED FOR THIS  
PROJECT BY THE CITY OF PITTSBURG AND THAT THE  
COMMISSION HAS REVIEWED AND CONSIDERED THE  
INFORMATION CONTAINED THEREIN.

ADOPT THE FINDINGS MADE IN CONFORMANCE WITH TITLE 14,  
CALIFORNIA CODE OF REGULATIONS, SECTIONS 15091 AND 15096  
(h), AS CONTAINED IN THE SACRAMENTO OFFICE OF THE  
CALIFORNIA STATE LANDS COMMISSION.

ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED  
IN THE SACRAMENTO OFFICE OF THE CALIFORNIA STATE LANDS  
COMMISSION.

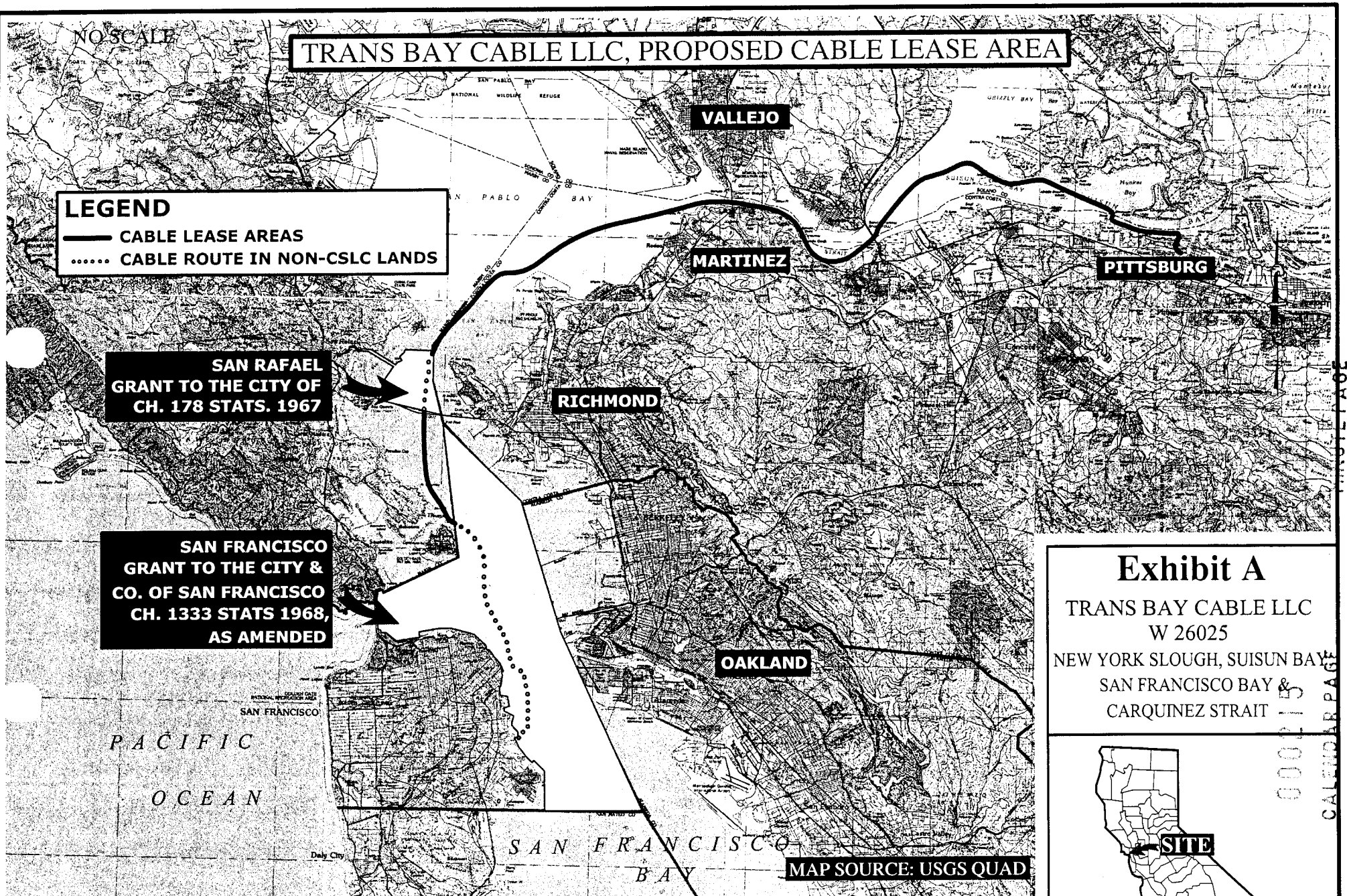
**SIGNIFICANT LANDS INVENTORY FINDING:**

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE  
CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE  
LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370,  
ET SEQ.

CALENDAR ITEM NO. **C36** (CONT'D)

**AUTHORIZATION:**

AUTHORIZE ISSUANCE TO TRANS BAY CABLE LLC OF A GENERAL LEASE – RIGHT OF WAY USE, BEGINNING DECEMBER 15, 2006, FOR A TERM OF 25 YEARS, FOR CONSTRUCTION, INSTALLATION, OPERATION, MAINTENANCE, AND USE OF A SUBMARINE CABLE BUNDLE (TEN INCHES IN DIAMETER) CONSISTING OF APPROXIMATELY 40.25 MILES OF HIGH VOLTAGE DIRECT CURRENT CABLE, THE TRANSMISSION CABLE WILL BE APPROXIMATELY FIVE INCHES IN DIAMETER AND THE RETURN CABLE APPROXIMATELY FOUR INCHES IN DIAMETER, ALONG WITH A FIBER OPTIC COMMUNICATION CABLE, AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$389,000, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$10,000,000; AND SURETY IN THE AMOUNT OF \$1,000,000.



## Exhibit A

TRANS BAY CABLE LLC  
W 26025

NEW YORK SLOUGH, SUISUN BAY  
SAN FRANCISCO BAY &  
CARQUINEZ STRAIT



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

**EXHIBIT B****W 26025****LAND DESCRIPTION**

All that tide and submerged land in Suisun Bay, Carquinez Strait, San Pablo Bay, San Pablo Strait and San Francisco Bay, in the Cities of Martinez, Hercules, and Pinole, and the Counties of Contra Costa, Solano and Marin, State of California, described as follows:

**Parcel One**

A strip of land 11.00 feet in width, the centerline of which is described as BEGINNING at a point on the ordinary high water mark of said Suisun Bay, said point being also described as having CCS83, Zone 3 coordinates: East x-coordinate = 6158841.8626 feet, North y-coordinate 2204079.5291 feet; thence along said centerline through the following two hundred six (206) angle points:

<u>Ang. Pt. No.</u>	<u>East x-coordinate (ft)</u>	<u>North y-coordinate (ft)</u>
1)	6158599.4343	2204566.7890
2)	6158075.1015	2204942.0975
3)	6157850.5449	2205044.5195
4)	6157492.4380	2205158.4148
5)	6156617.6100	2205080.5043
6)	6155768.4368	2205111.4907
7)	6154823.8419	2205180.3628
8)	6153977.6476	2205408.0202
9)	6152995.2072	2205513.9477
10)	6152094.9303	2205655.0806
11)	6151243.0769	2205824.6410
12)	6150373.4465	2206085.5461
13)	6149523.9001	2206404.4420
14)	6148660.1174	2206730.8670
15)	6147796.7738	2207086.4482
16)	6146895.2968	2207457.2118
17)	6146080.1638	2207823.0324
18)	6145270.4799	2208228.8544
19)	6145370.3557	2209101.3595
20)	6145079.5959	2209852.4371
21)	6144324.1128	2210344.8562
22)	6143541.8787	2210659.2603
23)	6142612.5834	2211081.5890
24)	6141850.1880	2211432.1532
25)	6141038.6575	2211710.6688
26)	6140230.2478	2212185.8223
27)	6139416.8310	2212646.5116

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28)	6138589.5632	2213140.2206
29)	6137775.2863	2213542.7037
30)	6136983.6341	2213857.4497
31)	6136155.0673	2214263.8500
32)	6135268.6104	2214649.3410
33)	6134565.1327	2215072.0210
34)	6133683.2135	2215439.2837
35)	6132816.9558	2215882.8066
36)	6132055.7216	2216291.9054
37)	6131303.9492	2216689.9494
38)	6130473.2806	2216954.5265
39)	6129528.2767	2216969.6709
40)	6128658.2505	2216874.3852
41)	6127710.3694	2216711.1852
42)	6126858.0561	2216524.6239
43)	6125963.5576	2216400.6846
44)	6124987.4797	2216278.0972
45)	6124113.8177	2216255.8554
46)	6123282.8472	2216498.8083
47)	6122417.0275	2216957.2298
48)	6121589.8409	2217429.6163
49)	6120922.0518	2217964.9750
50)	6120053.8426	2218274.1936
51)	6119354.3352	2218628.0149
52)	6118560.5396	2219081.7386
53)	6117657.5108	2219602.8420
54)	6116830.4880	2220075.3755
55)	6115988.5627	2220515.4040
56)	6114992.4426	2220622.9554
57)	6114317.7264	2220441.1300
58)	6113438.3071	2220066.0611
59)	6112545.0199	2219724.0295
60)	6111600.3273	2219466.6516
61)	6110755.7967	2219174.8518
62)	6109881.7633	2218839.8693
63)	6108971.5789	2218640.2756
64)	6108166.0318	2218387.9627
65)	6107321.5190	2218099.9113
66)	6106434.3410	2217845.3849
67)	6105578.0234	2217714.1922
68)	6104756.9417	2217396.6879
69)	6103961.6528	2216903.9551
70)	6103349.1732	2216440.9121
71)	6102764.5893	2215645.9875
72)	6102027.1766	2214893.7446
73)	6101444.4495	2214211.7179

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74)	6100846.3950	2213475.3363
75)	6100248.3083	2212738.9684
76)	6099647.1302	2212104.6419
77)	6099123.2981	2211505.4204
78)	6098435.8258	2210879.8862
79)	6097852.0119	2210143.3253
80)	6097116.1063	2209496.8063
81)	6096577.6132	2208886.9605
82)	6096127.7334	2208129.9151
83)	6095814.6824	2207235.7583
84)	6095623.3914	2206445.1164
85)	6095021.7784	2205799.9734
86)	6093519.5572	2204988.3758
87)	6092723.3471	2204200.9858
88)	6092034.4142	2203786.8723
89)	6091168.8950	2203157.3402
90)	6090456.1779	2202758.2496
91)	6089712.1553	2202217.6888
92)	6088950.9576	2201520.8447
93)	6088269.3139	2200982.8710
94)	6087484.4565	2200854.6312
95)	6086431.6756	2200782.1246
96)	6085543.6743	2200797.7970
97)	6084620.7927	2201010.7831
98)	6083739.1261	2201383.3175
99)	6082950.2689	2201841.6403
100)	6082263.1086	2202349.1654
101)	6081490.2962	2202898.2966
102)	6080810.0133	2203518.6394
103)	6080323.2395	2204219.3092
104)	6079840.2672	2205131.1568
105)	6079538.8329	2205992.4195
106)	6079193.0559	2206788.9241
107)	6078908.5551	2207522.4219
108)	6078325.0297	2208173.8774
109)	6077632.7187	2208914.7088
110)	6076899.7475	2209528.8198
111)	6076179.8557	2210066.2334
112)	6075257.9443	2210578.1772
113)	6074447.1104	2210862.3384
114)	6073560.9871	2210962.1445
115)	6072689.7267	2211087.2043
116)	6071817.9816	2211186.8071
117)	6070920.5338	2211454.4402
118)	6070018.3623	2211725.8318
119)	6069236.3654	2212005.9833

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120)	6068304.9745	2212252.4728
121)	6067455.5543	2212519.3432
122)	6066579.8963	2212662.8931
123)	6065732.2295	2212762.2516
124)	6063911.8142	2213203.7360
125)	6062989.2200	2213402.9016
126)	6062097.8688	2213474.0473
127)	6061181.5286	2213491.0557
128)	6060251.4738	2213544.7714
129)	6059330.3288	2213561.9322
130)	6058470.1742	2213505.1438
131)	6057584.7031	2213376.0148
132)	6056706.8009	2213141.1526
133)	6055814.9287	2212928.4335
134)	6054923.7268	2212752.1519
135)	6054047.0831	2212586.5516
136)	6053102.3347	2212371.2759
137)	6052278.9441	2212230.2221
138)	6051480.2137	2212125.1472
139)	6050427.4047	2212035.8425
140)	6049511.3647	2211820.1471
141)	6048640.1841	2211691.0387
142)	6047643.3247	2211517.0086
143)	6046764.9917	2211267.9076
144)	6045858.1610	2211033.9490
145)	6045085.7121	2210801.0858
146)	6044220.3555	2210478.9761
147)	6043316.2767	2210390.7336
148)	6042408.7243	2210124.1250
149)	6041493.9150	2209977.8764
150)	6040570.6764	2209893.7376
151)	6039765.1130	2209690.8030
152)	6038853.7098	2209475.3773
153)	6037941.6547	2209227.2159
154)	6037120.4079	2208959.1063
155)	6036083.1410	2208691.5924
156)	6035152.3266	2208469.3852
157)	6034277.0838	2208144.1426
158)	6033433.4927	2207719.9703
159)	6032691.1486	2207319.3310
160)	6031960.6179	2207031.3856
161)	6031204.3377	2206656.5555
162)	6030524.7282	2206276.5929
163)	6029854.7885	2205900.0984
164)	6029010.3366	2205439.6581
165)	6028176.5773	2204793.2834

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166)	6027381.9136	2204182.5803
167)	6026571.6647	2203757.9583
168)	6025856.4573	2203284.1228
169)	6025064.7412	2202826.3978
170)	6024252.5996	2202310.8287
171)	6023406.2663	2201766.8295
172)	6022594.8179	2201287.7170
173)	6021895.1140	2200875.5911
174)	6021224.1883	2200462.9059
175)	6020316.1018	2200197.0430
176)	6019313.8080	2200024.1595
177)	6018354.1770	2200061.6973
178)	6017553.2875	2200114.2751
179)	6016629.4747	2200023.6761
180)	6015888.5077	2199714.5186
181)	6015189.1008	2199324.4112
182)	6014460.0649	2198658.1195
183)	6013792.4173	2197943.2514
184)	6013336.5700	2197253.2273
185)	6012709.6181	2196417.3666
186)	6012162.4938	2195729.2210
187)	6011633.9610	2195011.5697
188)	6011159.6897	2194365.6635
189)	6010527.6276	2193755.7702
190)	6009709.3314	2193200.6937
191)	6009038.7337	2192587.9813
192)	6008295.8307	2191965.8428
193)	6007540.3135	2191431.3953
194)	6006851.3058	2190862.8204
195)	6006285.6809	2190222.5201
196)	6005523.4616	2189600.8542
197)	6004820.6359	2189065.3945
198)	6004201.6609	2188404.3858
199)	6003698.5780	2187540.6742
200)	6003253.0928	2186675.7791
201)	6002885.5335	2185863.9087
202)	6002496.2138	2185161.7590
203)	6001961.6567	2184407.9965
204)	6001483.5717	2183598.4390
205)	6001221.2204	2182766.1953
and		
206)	6001125.5210	2181861.2893,

the terminus of said centerline.

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EXCEPTING therefrom any portions lying landward of the ordinary high water marks of said Bays and Straits.

ALSO EXCEPTING therefrom any portions lying within the city limits of the City of San Rafael.

ALSO EXCEPTING therefrom any portions lying within those lands conveyed by that certain State Patent for Tideland Survey 39, a Contra Costa survey, dated June 6, 1873, and filed in the records of the California State Lands Commission in Tideland Patent Book 1 at Page 76.

ALSO EXCEPTING therefrom any portions lying within those lands described as Parcels 1 and 2 in that certain Judgment in Solano County Superior Court, Case No. 40184, recorded November 9, 1964 in Book 1304 at Page 675, Official Records of Solano County.

### **Parcel Two**

A strip of land 11.00 feet in width, the centerline of which is described as BEGINNING at a point on the southerly city limit line of the City of San Rafael, said point being also described as having CCS83, Zone 3 coordinates: East x-coordinate = 5999388.8721 feet, North y-coordinate 2170238.9562 feet; thence along said centerline through the following twenty-eight (28) angle points:

<u>Ang. Pt. No.</u>	<u>East x-coordinate (ft)</u>	<u>North y-coordinate (ft)</u>
1)	5999351.8125	2169383.8297
2)	5999331.4045	2168404.5245
3)	5999310.9206	2167421.5793
4)	5999278.4464	2166555.4324
5)	5999241.0327	2165682.1046
6)	5999294.3115	2164777.7504
7)	5999257.2487	2163922.6268
8)	5999291.9047	2163047.7986
9)	5999273.0164	2162141.3077
10)	5999292.1479	2161212.1725
11)	5999378.3157	2160270.7150
12)	5999470.3224	2159376.4841
13)	5999637.1138	2158378.7183
14)	5999815.2674	2157464.4861
15)	6000028.3103	2156607.8034
16)	6000387.4220	2155835.4960
17)	6000765.7213	2155059.1534
18)	6001197.3770	2154303.5617
19)	6001683.4496	2153619.6906
20)	6002267.8844	2152806.3183

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21)	6002822.4021	2151938.9479
22)	6003322.2336	2151218.4035
23)	6003629.3811	2150483.6403
24)	6004056.6013	2149739.1174
25)	6004455.8924	2149038.8831
26)	6005172.4938	2148324.8304
27)	6006002.4863	2147976.3119
and		
28)	6006797.8522	2147581.1843,

the terminus of said centerline.

EXCEPTING therefrom any portions lying landward of the ordinary high water marks of said Bays and Straits.

ALSO EXCEPTING therefrom any portions lying within the city limits of the City of San Rafael and the city and county limits of the City and County of San Francisco.

### END OF DESCRIPTION

CHESTER J. PATCH III PE

CALIFORNIA PROFESSIONAL ENGINEER  
LICENSE NUMBER 23697

SEAL